

# FISCAL NOTE

**Bill #:** SB0493

**Title:** Revise motor vehicle liability insurance laws

**Primary Sponsor:** Laslovich, J

**Status:** As Amended in Senate Committee

Sponsor signature	Date	David Ewer, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$62,284	\$40,851
<b>Revenue:</b>		
General Fund	\$37,500	\$75,000
<b>Net Impact on General Fund Balance:</b>	(\$24,784)	\$34,149

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Justice**

1. As allowed by this bill the department may survey individuals convicted of no automobile insurance violations within the last five years. SB 493 also provides for driver license suspensions upon report of a first or subsequent conviction, a process for re-instatement of the driver's license, payment of a \$100 reinstatement fee along with proof of insurance and provides for ongoing verification of continuing motor vehicle liability insurance coverage.
2. 0.75 FTE License Certification Permit Technician (Grade 8) is necessary in FY 2006 and 1.00 in FY 2007. The FTE will be needed to survey certain persons for verification of liability insurance. It is anticipated that at least 1,500 convicted drivers will be identified and contacted annually. Correspondence will be exchanged and records will be verified. Follow-up will be necessary subsequent to an initial non-compliance. Driver license withdrawal/reinstatement actions will be implemented for violators. Hearings will have to be scheduled, facilitated and documented. Current levels of FTE will administer, monitor, manage and enforce new proof of financial responsibility provisions for more than 3,000 violators annually who will have their driver license suspended following the receipt of report of conviction for second offenses as specified within this bill. Personal services would increase \$18,068 in FY 2006 and \$24,091 in FY 2007.

**Fiscal Note Request SB0493, As Amended in Senate Committee**

(continued)

3. One time start up operating costs would include: \$2,976 for new employee for desk, chair, file cabinet, and computer; \$28,490 for computer programming, requirements analysis and design, testing and implementation (an estimated 240 hours) and computer time usage (equivalent to an estimate 30 days). Total one time operations costs are projected to be \$31,466 in FY 2006.
4. Ongoing operating costs are estimated to be \$8,591 for postage; \$1,807 for phones, supplies, and communications; \$495 for increased database storage; \$1,857 for computer usage; for a total of \$12,750 in FY 2006.
5. Ongoing operating costs are estimated to be \$11,455 for postage; \$2,350 for phones, supplies and communications; \$660 for increased database storage; \$2,295 for computer usage; for a total of \$16,760 in FY 2007.
6. Reinstatement fees are estimated to be \$37,500 in FY 2006 and \$75,000 in FY 2007. (FY 2006 = 3,000 x 50 percent x 25 percent x \$100 and FY 2007 = 3,000 x 50 percent x 50 percent x \$100)

**FISCAL IMPACT:****Department of Justice**

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
FTE	0.75	1.00
<u>Expenditures:</u>		
Personal Services	18,068	24,091
Operating Expenses	<u>44,216</u>	<u>16,760</u>
TOTAL	\$62,284	\$40,851
<u>Funding of Expenditures:</u>		
General Fund (01)	\$62,284	\$40,851
<u>Revenues:</u>		
General Fund (01)	\$37,500	\$75,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$24,784)	\$34,149